



DOCKET FILE COPY ORIGINAL

One of the Minnesota Power Systems

1405 1ST AVENUE NORTH • BOX 13000 • GRAND FORKS, ND 58208-3000

(701) 746-4461 • ND 1-800-732-4373

July 21, 1994

RECEIVED

JUL 27 1994

FCC MAIL ROOM

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, D.C. 20554

RE: Cable Competition Report
CS Docket No. 94-48

Dear Chairman Hundt:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

As a rural electric member of NRTC and distributor of the DIRECTV direct broadcast satellite (DBS) television service, my company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon and others, is available only to my principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DIRECTV are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

Mr. Hundt, my organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. I believe that the Act prohibits any arrangement that prevents any distributor from gaining access

No. of Copies rec'd
List ABCDE

The Honorable Reed Hundt
July 21, 1994
Page Two

to programming to serve non-cabled rural areas. Under the present circumstance, if one of my DIRECTV subscribers also wishes to receive Time Warner/Viacom product, that subscriber must purchase a second subscription to the USSB service. This hinders effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level.

Not having access to the Time Warner/Viacom services has also adversely affected my ability to compete against other sources for television in my area. We have had customers who shied away from DIRECTV after learning that HBO/Showtime were not available from us. They don't understand why they can't purchase these programs from their local cooperative.

We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish this type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,



C. T. Marhula
Business Manager

CTM/ks

cc: The Hon. Representative Earl Pomeroy
The Hon. Senator Byron Dorgan
The Hon. Senator Kent Conrad
William F. Caton, Secretary
The Hon. James H. Quello
The Hon. Andrew C. Barrett
The Hon. Susan Ness
The Hon. Rachelle B. Chong

Nodak

ELECTRIC COOPERATIVE

One of the Minnesota Power Systems

1405 1ST AVENUE NORTH • BOX 13000 • GRAND FORKS, ND 58208-3000

(701) 746-4461 • ND 1-800-732-4373

July 21, 1994

RECEIVED

JUL 27 1994

FCC MAIL ROOM

The Hon. Byron L. Dorgan
United States Senate
713 Hart Building
Washington, D.C. 20510-3405

Dear Senator Dorgan:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of DBS satellite television programming, equal access to cable and broadcast programming at fair rates - something which we are not currently receiving - is essential for Nodak/Polar to be competitive in our local marketplace.

The attached letters to FCC Chairman Reed Hundt from myself, in addition to Rep. Billy Tauzin and other members of Congress, spell out my concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers - like Time Warner and Viacom - have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in northeastern North Dakota in encouraging the FCC to correct this inequity.

Sincerely,



C. T. Marhula
Business Manager

CTM/ks
Enclosures



One of the Minnesota Power Systems

1405 1ST AVENUE NORTH • BOX 13000 • GRAND FORKS, ND 58208-3000

(701) 746-4461 • ND 1-800-732-4373

July 21, 1994

RECEIVED

JUL 27 1994

FCC MAIL ROOM

The Hon. Kent Conrad
United States Senate
Hart Office Building, Room 724
Washington, D.C. 20510-3403

Dear Senator Conrad:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of DBS satellite television programming, equal access to cable and broadcast programming at fair rates - something which we are not currently receiving - is essential for Nodak/Polar to be competitive in our local marketplace.

The attached letters to FCC Chairman Reed Hundt from myself, in addition to Rep. Billy Tauzin and other members of Congress, spell out my concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers - like Time Warner and Viacom - have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in northeastern North Dakota in encouraging the FCC to correct this inequity.

Sincerely,

A handwritten signature in dark ink, appearing to read "C. T. Marhula".

C. T. Marhula
Business Manager

CTM/ks
Enclosures

Nodak

ELECTRIC COOPERATIVE

One of the Minnesota Power Systems

1405 1ST AVENUE NORTH • BOX 13000 • GRAND FORKS, ND 58208-3000

(701) 746-4461 • ND 1-800-732-4373

July 21, 1994

RECEIVED

JUL 27 1994

FCC MAIL ROOM

The Hon. Earl Pomeroy
United States House of Representatives
318 Cannon Building
Washington, D.C. 20515

Dear Congressman Pomeroy:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of DBS satellite television programming, equal access to cable and broadcast programming at fair rates - something which we are not currently receiving - is essential for Nodak/Polar to be competitive in our local marketplace.

The attached letters to FCC Chairman Reed Hundt from myself, in addition to Rep. Billy Tauzin and other members of Congress, spell out my concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers - like Time Warner and Viacom - have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in northeastern North Dakota in encouraging the FCC to correct this inequity.

Sincerely,



C. T. Marhula
Business Manager

CTM/ks
Enclosures